

EXHIBIT 6

Tenn. Comp. R. & Regs.
1140-09-.01 (1999)

**RULES
OF
THE TENNESSEE BOARD OF PHARMACY**

**CHAPTER 1140-9
MANUFACTURERS AND WHOLESALERS**

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1140-9-01 MANUFACTURER AND WHOLESALER LICENSING.

- (1) Every manufacturer or wholesaler, before engaging in the sale or distribution of prescription drugs and prescription devices in this state, must be licensed by the Board in accordance with this chapter.
- (2) An applicant with physical facilities in this state must obtain and display prominently a separate license for each principal place of business where the applicant manufactures or distributes prescription drugs and prescription devices.
- (3) The requirement of a license shall not apply to the following types of distributions:
 - (a) Intracompany sales;
 - (b) The purchase or other acquisition by a hospital or other health care entity that is a member of a group purchasing organization of a prescription drug for its own use from the group purchasing organization or from other hospitals or health care entities that are members of such organizations;
 - (c) The sale, purchase or trade of a prescription drug or an offer to sell, purchase, or trade a prescription drug by a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1954 to a nonprofit affiliate of the organization to the extent otherwise permitted by law;
 - (d) The sale, purchase, or trade of a prescription drug or an offer to sell, purchase, or trade a prescription drug among hospitals or other health care entities that are under common control; for purposes of this subparagraph, "common control" means the power to direct or cause the direction of the management and policies of a person or an organization whether by ownership of stock, voting rights, by contract or otherwise;
 - (e) The sale, purchase, or trade of a prescription drug or an offer to sell, purchase, or trade a prescription drug for emergency medical reasons; for purpose of this subparagraph, "emergency medical reasons" includes transfers of prescription drugs by a retail pharmacy practice site to alleviate a temporary shortage;
 - (f) The sale, purchase, or trade of a prescription drug, an offer to sell, purchase or trade a prescription drug, or the dispensing of a prescription drug pursuant to a medical or prescription order;
 - (g) The distribution of prescription drug samples by manufacturers' representatives; or
 - (h) The sale, purchase, or trade of blood and blood components intended for transfusion.

MANUFACTURERS AND WHOLESALERS

CHAPTER 1140-9

(Rule 1140-9-.01, continued)

(i) The sale, purchase, or trade of a prescription drug, or an offer to sell, purchase or trade of a prescription drug by a pharmacy practice site to another pharmacy practice site or to authorized prescribing practitioners, except that the total gross dollar volume of such transfers shall not exceed five percent (5%) of the total medical and prescription orders sales revenue of either the transferor or transferee pharmacy during any twelve (12) consecutive month period.

Authority: T.C.A. § 63-10-404(2),(8),(14),(18),(37), § 63-10-504(b)(1), § 63-10-506(f). *Administrative History:* Original rule filed January 7, 1992; effective February 21, 1992. Repeal and new rule filed May 11, 1998; effective July 25, 1998.